KARLAWINDA GOLD PROJECT 25% INCREASE IN ORE RESERVES TO 892koz

SUMMARY

- New Ore Reserve of 28Mt @ 1.0g/t Au containing 892,000oz ounces of gold estimated by Entech Pty Ltd following successful drilling campaign in late 2017 and early 2018.
- This is a 25% increase from the previously announced maiden Ore Reserve of 713,000oz (see ASX release 7 August 2018).
- The new Ore Reserve is contained within an updated Measured and Indicated Mineral Resource of 45Mt @ 1.0g/t Au containing 1.4Moz. This is an increase of 286,000oz from the April 2017 Mineral Resource which was used to estimate the maiden Ore Reserve.
- Gold production is forecast to increase from 660koz over 6.5 years to 820koz over 8 years, which includes an increase of 16koz in the first two years of production.
- The updated Ore Reserve is contained almost entirely within the Bibra open pit constrained Mineral Resource estimate (3% is contained within the Southern Corridor open pit) and is based entirely on Measured and Indicated Mineral Resources.
- The Ore Reserve has been estimated using a gold price assumption of A$1600/ounce and a variable cut-off grade of between 0.27g/t and 0.35g/t Au (dependent on ore type).
- The Ore Reserve final pit design allows for a four-staged open pit (Feasibility Study design was three-stage) and a life-of-mine (LOM) stripping ratio of 4.8:1.
- The Ore Reserve estimation and optimised pit design is a significant improvement on the 2017 design used in the Feasibility Study (see ASX release 23 October 2017) and enhances project economics.
- This optimisation also follows the announcement of a material reduction in capital costs (see ASX release 23 April 2018).
- Capricorn is well advanced with project financing negotiations, with the upgraded Ore Reserve to be used as the basis for securing a suitable funding package.

ASX ANNOUNCMENT

29 May 2018

ASX Code: CMM

ABN: 84 121 700 105

Board of Directors:

Mr Heath Hellewell
Executive Chairman

Mr Peter Langworthy
Non-Executive Director

Mr Stuart Pether
Non-Executive Director

Ms Debra Bakker
Non-Executive Director

Issued Capital:

Shares 747.9M
Options 56.7M
Share Price A$0.07
Market Cap. A$52.4M

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MANAGEMENT COMMENT

Capricorn's Executive Chairman, Heath Hellewell, said: "This is another major step forward for what continues to emerge as a new high-quality Australian gold project at Karlawinda. With the delivery of 25 per cent increase in Ore Reserves, we have also been able to re-optimise the open pit mine plan into a four-stage pit that will deliver increased production in the first two years of operations and sustain an average annual production profile of around 100,000ozpa for 8 years.

"This is an impressive project by any measure and we are confident of being able to secure an attractive project funding package to underpin its development in the near future. Project funding discussions are now well advanced and will now be finalised on the basis of this revised Ore Reserve.

"We are also excited about the potential for continued growth in our gold inventory as exploration continues. A recent 800m deep hole drilled 1km along strike from the Bibra deposit hit significant mineralisation, demonstrating that the Bibra system extends well beyond the current resource boundaries. We will continue to systematically unlock this potential with ongoing drilling as the project is built.

"We are looking forward to securing project funding and commencing construction in the second half of this year, paving the way for Capricorn to become a significant new Australian gold producer."

BIBRA ORE RESERVE

The Company is pleased to provide an updated JORC 2012 compliant Ore Reserve estimate of 27.5 million tonnes @ 1.0g/t Au for 892,000 ounces for the Bibra Deposit (including the Southern Corridor pit) at the Karlawinda Gold Project, which is based on an updated Mineral Resource estimate of 45 million tonnes @ 1.0g/t Au for 1.4 million ounces.

TABLE 1: KARLAWINDA OPEN PIT ORE RESERVE STATEMENT
(A$1600/ounce assumption)

Deposit	PROVED RESERVES			PROBABLE RESERVES			TOTAL RESERVES		
	Tonnes ('000 t)	Grade (g/t Au)	Ounces ('000 oz)	Tonnes ('000 t)	Grade (g/t Au)	Ounces ('000 oz)	Tonnes ('000 t)	Grade (g/t Au)	Ounces ('000 oz)
Bibra pit	9,603	1.1	337	16,915	1.0	529	26,518	1.0	866
Sth Corridor pit	7.9	0.6	0.2	1,027	0.8	26	1,035	0.8	26
Total	9,611	1.1	337	17,942	1.0	555	27,553	1.0	892

Notes:

1. *Ore Reserves are a subset of Mineral Resources.*
2. *Ore Reserves reported in conformance with the JORC 2012 Code definitions.*
3. *Ore Reserves are calculated using a gold price of A$1600/ounce.*
4. *Ore Reserves are calculated using a cut-off grade between 0.27g/t and 0.35g/t Au.*
5. *Mining dilution and recovery, estimated by modelling to a Selective Mining Unit (SMU) with dimensions of 5m x 5m x 2.5m, are 5% and 94% respectively.*
6. *All figures are rounded to reflect appropriate levels of confidence which may result in apparent errors of summation.*

The Ore Reserve is contained within a detailed open pit design (Figure 1) with a life of mine (LOM) stripping ratio of 4.8:1. The stage one pit shells contain predominantly laterite and oxide mineralisation.

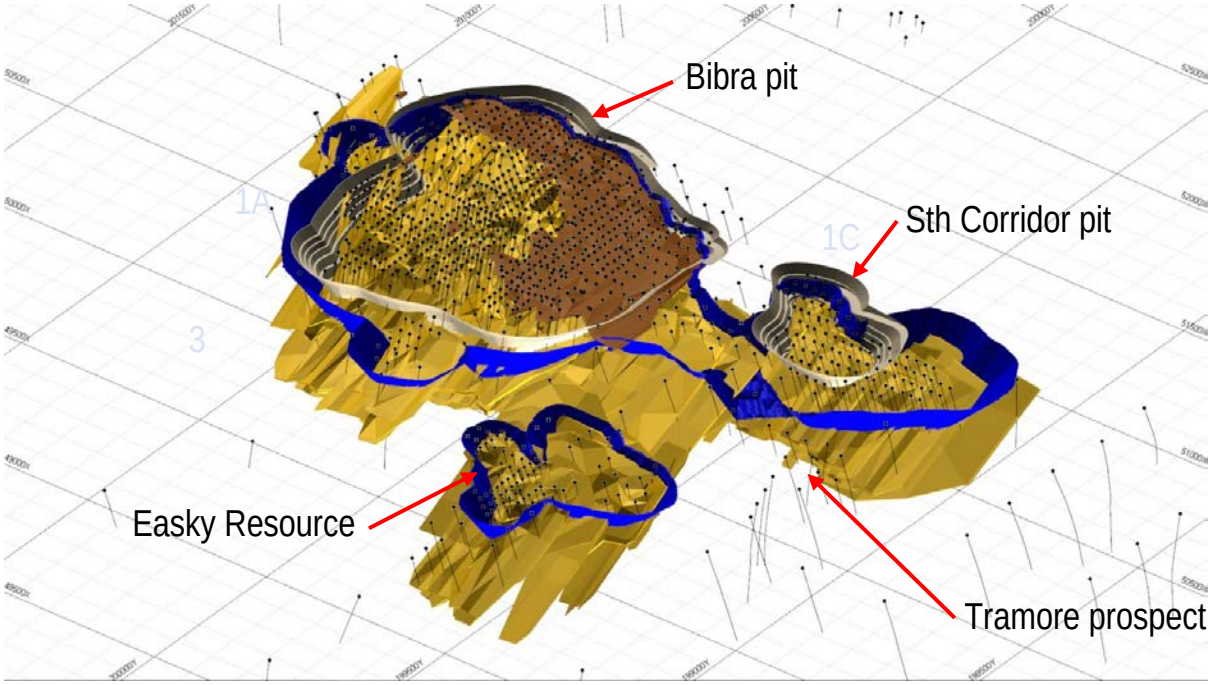

Figure 1: Karlawinda Ore Reserve pits (grey) and Mineral Resource pit shells (blue).

Gold Production Forecast

Forecast gold production from this updated Ore Reserve schedule and a comparison with the previous Ore Reserve is shown in Table 2 below.

TABLE 2: KARLAWINDA GOLD PRODUCTION FORECAST

	YEAR	1	2	3	4	5	6	7	8	9	TOTAL
Au koz											
2018 Ore Reserve		117	109	88	95	98	82	88	102	43	822
2017 Ore Reserve		112	98	85	94	100	102	66	-	-	657
Increase		+5	+11	+3	+1	-2	-20	+22	+102	+43	+165

BIBRA MINERAL RESOURCE

An updated Mineral Resource estimate for the Bibra Deposit is provided below, with complete details given on pages 11-14 of this announcement.

The Ore Reserve statement (above) is a subset of these updated resources.

TABLE 3: BIBRA GOLD DEPOSIT JORC OPEN PIT MINERAL RESOURCE

Classification	Tonnes ('000t)	Grade (g/t)	Ounces ('000z)
Measured	10,640	1.1	365
Indicated	34,160	0.9	1,010
Measured and Indicated Total	44,800	1.0	1,375
Inferred	6,160	0.7	150
Total	50,960	0.9	1,525

Notes:

All material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

KARLAWINDA ORE RESERVE CALCULATION

The Ore Reserve estimate has been completed on the basis of modifying factors used in the Company's November 2017 Feasibility Study (FS) and subsequent studies including further optimisation studies and trade-off studies on the process plant and non-plant infrastructure. These studies were completed by a team consisting of Capricorn personnel and independent external consultants. Changed modifying factors from the FS include:

- Process plant design now incorporates a 4.8MW SAG mill and 4.8MW Ball mill ('SAB') from project commencement instead of the feasibility study which incorporated a 6.5MW SAG mill and the installation of a ball mill at the end of Year 2.
- The design of the previous comminution circuit allowed for treatment of a blend of laterite and oxide ores in Years 1 and 2 whereas the optimised circuit provides greater operational flexibility for the treatment of different ore types without the requirement to blend.
- The gold price assumption for Ore Reserves has increased from A$1500/oz to A$1600/oz. This increase is in line with peer companies and also reflects that spot gold prices have averaged in excess of A$1600/oz over the past 3 years.
- The cost of power has reduced by approximately 15% from the 2017 Ore Reserves as a result of further optimisation. The major change relates to the use of natural gas via a 56km pipeline connecting to the Goldfields Gas Pipeline rather than trucked LNG.
- Ore processing costs have reduced from the 2017 Reserves and FS as a result of improved plant design and lower energy costs to $10.41 / t for laterite ore, $9.25/t for oxide, $10.84/t for Transition and $12.43/t for fresh ore.
- Rock density has reduced slightly in the Oxide zone as a result of further testwork undertaken in 2018.
- The diesel fuel assumption has increased by around 20% to A85c/litre (including rebate and excluding GST) from A70c/litre used in the feasibility study.

Financial modelling completed as part of the Ore Reserve update confirms that the project is economically viable under current assumptions. In the opinion of the Competent Person, cost assumptions and modifying factors applied in the process of estimating Ore Reserves are reasonable. The Ore Reserve is considered to provide the basis of a technically and economically viable project. The proposed mine plan is technically achievable. All proposals for the operational phase involve the application of conventional technology which is widely utilised in Western Australia.

Material assumptions (mining, processing, infrastructure, economic, commercial, environmental and social) are largely unchanged since the FS release (November 2017) but have been considered as part of the Ore Reserve estimation process and are detailed below.

KARLAWINDA GOLD PROJECT LOCATION AND TENURE

The Karlawinda Gold Project is located in the Pilbara region of Western Australia, 70km by road south-east of the town of Newman (Figure 5). Karlawinda is an advanced gold project which includes the Bibra deposit and numerous outstanding exploration targets including the Francopan prospect. The Project covers a total area of approximately 1,419km^2.

Capricorn completed a positive Scoping Study in July 2016, which was based on a single large open pit at Bibra feeding a 3Mtpa standalone CIP (carbon-in-pulp) processing facility on site. Annual gold production is forecast to average around 100,000oz/pa over an initial mine life of approximately 7 years.

In Nov 2017, Capricorn completed a Feasibility Study ('FS') on the development of the Karlawinda Gold Project. This study was underpinned by a major 75,000m in-fill RC and diamond drilling program completed in December 2016.

The Bibra deposit is covered by mining lease M52/1070 100% held by Greenmount Resources Pty Ltd, (Greenmount) a wholly owned subsidiary of Capricorn. M52/1070 is a granted mining lease of sufficient size to cover the Bibra resource area and potential associated infrastructure for a future mining operation. M52/1070 was excised upon grant from the granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHP Billiton Ltd (BHPB) in 2008 by Independence Group NL. Greenmount subsequently acquired E52/1711 in 2015. South 32 Limited (via BHPB) retain a 2% NSR over E52/1711 and any subsequent tenements, including M52/1070.

Western Australia is recognised globally as a low risk mining jurisdiction.

The Nyiyaparli group are the Native Title claimants covering an area including M52/1070. There are no known heritage or environmental impediments over the mining lease.

Capricorn has negotiated a Land Access Agreement with the Nyiyaparli group over this and all other Company tenure in this region. No known social or environmental impediments exist with respect to the proposed mining operation.

REGIONAL INFRASTRUCTURE

The project site is within economic distances of existing infrastructure in the east Pilbara region. The town of Newman contains world class engineering, mining support services and key infrastructure including a major airport and power station and will act as a logistics base for the project. The project is planned to operate as a Fly In-Fly Out (FIFO) operation. However, there is the opportunity for Newman to be a residential base for project employees. Services and consumable supplies will be delivered by existing roads and a new 40km Access Road from the Great Northern Highway to the project.

Land availability is not considered an issue, with the mining and exploration tenure held by Capricorn covering all project requirements. The proposed mining area lies at the northern boundary of the

Weeleranna pastoral lease and the Company has a co-operative working relationship with all pastoralists over the project area.

BIBRA DEPOSIT GEOLOGY

At Bibra, mineralisation is shoot-controlled along a series of dominant low-angle, north-east trending mineralised faults that combine to make up a very large-scale mineralised system. The system is hosted in a sequence of Archaean greenstones metamorphosed to amphibolite facies. The greenstones comprise a mafic volcanic sequence with interbedded sedimentary and volcanoclastic units.

The deposit has been defined by drilling over a 1.1km strike length and is drilled to 800m down-dip where it is still mineralized and open down-dip. The mineralised shoots are present in drilling as broad zones up to 50m wide and are continuous down plunge. It is thought the shoots are developed in dilation zones along the main structures. A large laterite and oxide weathering zone is developed over the primary geology and this is mineralised in the near surface, up-dip position of the main shoots of primary mineralisation. A thin veneer of transported sandy soil covers the deposit and is typically less than 3m thick, the transition/fresh rock boundary is about 60m below surface.

Geological logging suggests alteration consisting of biotite, carbonate and magnetite mineralisation forms a halo surrounding the intense silica, pyrite and gold mineralisation. The metamorphic overprint of the mineralisation may have altered some of the primary alteration and mineralisation to the present day mineral species.

Confidence in the geological interpretation is high. The stratigraphy is consistent and can be correlated between holes and along strike.

Geological logging and structural measurements from drillholes have been used to construct the geological resource model. Sections were interpreted, digitised and a three dimensional (3D) wireframe model constructed.

MINING ASSUMPTIONS

The Bibra deposit will be mined by open pit mining methods using conventional mining equipment. The selected mining method, design and extraction sequence are tailored to suit orebody characteristics, minimise dilution and ore loss, defer waste movement, minimise rates of vertical mining advance, utilise planned process plant capacity and expedite free cash generation in a safe manner. The open pit has been scheduled based on realistic mining productivity with readily achievable mining rates along with consistent material movements.

The mining operating costs have been provided by contractor budgeted quotes for drilling, blasting, and Owner-Operator estimates for loading and haulage, including a capital allowance for equipment purchases. Cost estimate studies for grade control have been completed by Capricorn with a suitable allowance made on a per ore tonne basis.

Mining dilution and recovery modifying factors were simulated by modelling to a Selective Mining Unit 5X; 5Y; 2.5Z (SMU) which attempts to simulate the capability of the mining method. The re-blocking technique dilutes fully into the SMU size and the resultant model is then used as a diluted model.

The addition of dilution in the Ore Reserve estimate results in a loss of tonnes due to the number of blocks being diluted to below the reporting cut-off grade resulting in a dilution of 5% and mining recovery of 94%.

Geotechnical Modelling

Geotechnical modelling has been completed by an external consultant based on field logging and laboratory testing of selected diamond drill core samples from 18 drilled for purpose geotechnical diamond drillholes. The open pit designs are based on the recommended geotechnical design parameters and assume dry slopes based on the assumption of adequate dewatering and/or depressurisation ahead of mining.

The low-angle dip of the deposit (28^{o} to West) allows for a designed overall batter angle on the Footwall (Eastern side of pit) between ramps of 25^{o}. The western wall (Hanging Wall) of the pit is designed to have an overall slope angle of 47^{o}. Identical slope angles are used in the Southern Corridor pit, following analysis of two geotechnical diamond drillholes.

A separate hydrogeological report was prepared by independent consultants which considered the requirements to effectively dewater the open pit and pit slopes. This study was supported by the development of test bores and field test pumping analysis. The water quality of the defined aquifer at Karlawinda is low in total dissolved salts and only requires minor treatment to make potable.

Mining Infrastructure

The proposed mine plan includes waste rock dumps, a ROM pad, a surface water diversion channel, surface dewatering bores, light and heavy vehicle workshop facilities, explosives storage, supply facilities, technical services facilities, accommodation camp and administration facilities.

METALLURGICAL AND PROCESSING ASSUMPTIONS

An optimised flowsheet, mass and water balances, equipment selection, and plant designs and layouts were all developed to FS standard based upon several phases of testwork at independent laboratories.

The testwork was conducted on 35 composites (30 variability and 5 master) prepared from 779 meters of diamond drill core, totalling 90 intervals from 52 drill holes. These samples amount to 4103kg and represent the four main weathering horizons in the Bibra deposit.

TABLE 4: BIBRA METALLURGICAL SAMPLING

Ore Type Composite	IGO 2012	IGO 2013	Capricorn (2016 - 2017)	Total	Overall Mass of Composites Prepared (kg)
Laterite Ore	1	2	2	5	501
Saprolite Ore	2	3	4	9	942
Transition Ore	1	1	1	3	469
Fresh Ore	2	5	6	13	1504
Master Composites	-	2	3	5	687
Total	**6**	**13**	**16**	**35**	**4103**

The test work demonstrated Bibra ore contains a gravity recoverable gold component and is free milling with high gold extractions achievable by conventional cyanidation.

Flowsheet

The proposed metallurgical flowsheet is commonly used in the Australian and international gold mining industry and is well-tested and proven technology.

It comprises of a comminution circuit which consists of a primary crusher providing crushed ore to a crushed ore stockpile followed by a SAB(C) milling circuit which consists of a 4.8MW, semi autogenous

grinding (SAG) mill and a 4.8MW ball mill. Gold recovery involves a conventional gravity circuit (2x 40" Knelson concentrators with a gravity leach reactor) and a hybrid Carbon-in-Leach (CIL) circuit. Gold is recovered by standard elution and electrowinning techniques prior to smelting. The tailings are placed in an Integrated Waste Landform (IWL) and water recovered and recycled. Reagent consumptions are all relatively low.

Comminution

Comminution testwork included 25 SMC tests, 22 Bond Rod mill and 45 Bond Ball mill work indices.

TABLE 5: BIBRA COMMINUTION TESTWORK SUMMARY

Test	Ore	Units	Result
SMC (A*b)	Oxide Fresh		70-100 34
BBWI	Oxide Fresh	kWh/t kWh/t	13.0 14.8
UCS	Fresh	MPa	75
Abrasion Index	Oxide Fresh	g g	0.07 0.23

Modelling of the comminution circuit for the Karlawinda Gold Project was also undertaken by Orway Minerals Consultants (OMC) and others. Final circuit selection provides for a flexible flowsheet able to suitably treat the range of ores over the project life.

Metallurgical Recovery

Over 120 leach tests were performed on the various Bibra ores over the various testwork programs. The work showed that all ores were free milling, have a lower sensitivity to grind size, and with the gravity gold component removed is fast leaching with low reagent consumptions.

Estimated plant gold recovery ranges from 91% to 94% depending on grind size, head grade and ore type (Table 6). An average of 25% of gold from oxide ore and 45% from fresh ore is estimated to be recovered by gravity methods. No deleterious elements of significance have been determined from metallurgical test work and mineralogy investigations.

TABLE 6: BIBRA GOLD RECOVERY TESTWORK SUMMARY

Ore Type	Grade (g/t)	Units	P80 grind Size µm	FS Recovery (%)
Laterite	1.4	%	150	94.1
Oxide	1.0	%	150	92.8
Transition	1.0	%	150	91.8
Fresh	1.1	%	106	92.5
Average	**1.09**	**%**		**92.6**

Processing Parameters

TABLE 7: KARLAWINDA PROCESSING PLANT PARAMETER SUMMARY

Processing			
Throughput Oxide		Throughput Primary	
Mta	4.0	Mta	3.00
t/h	482	t/h	361
Crushing Circuit		Milling Circuit	
Capacity (t/h)	800	Grind P_{80} Oxide (µm)	150
Crusher Power (kW)	200	Grind P_{80} Primary (µm)	120
Overall Comminution Power		Gravity Circuit	
Crush & Mill Oxide (kW)	6350	40" Knelson Concentrators	2
Crush & Mill Primary (kW)	8150	Leach Reactor capacity (kg)	4000
Leach Circuit		Elution Circuit	
Tanks	7	Capacity (t)	8
Tank Volume (m3)	1860	Regeneration Kiln (kg/h)	500
Total Tankage (m3)	13000		
Residence Oxide (h)	17		
Residence Primary (h)	23		

Reagent Consumption

Reagent consumption estimates used in the Ore Reserve are based on various gold recovery and comminution test work and are considered to be relatively low when compared to similar Archaean greenstone deposits (Table 8).

TABLE 8: BIBRA REAGENT CONSUMPTION

Reagent Use	Units	Rate
Cyanide Oxide	kg/t	0.40 - 0.46
Cyanide Primary	kg/t	0.25 – 0.35
Lime Oxide	kg/t	1.60
Lime Primary	kg/t	0.30
Grind Media Oxide	kg/t	0.30 - 0.45
Grind Media Primary	kg/t	1.05
Oxygen	Kg/t	0.10

Tailings Disposal

Tailings disposal is intended to be within an Integrated Waste Landform (IWL) whereby tailings are encapsulated by mining waste, rather than having separate waste dumps and tailings facilities.

INFRASTRUCTURE

The workforce will be Fly In-Fly Out (FIFO) and based at a dedicated camp on the mining lease during rostered days on. Commercial flights to Newman airport, 55km North of the Project will be used and a dedicated on-site airstrip is not required.

Pump testing and modelling of the potential yield from the Karlawinda borefield indicate that there is sufficient groundwater to service the needs of the Project for the life-of-mine. This will require the development of 22 water production bores, of which 5 have already been developed, and 18km of pipelines.

Power will be generated on site utilising natural gas reticulated from the GGT. Cost assumptions used in the estimation of the Ore Reserve are based on quotes for a base case and any variation from this case will not have a material negative impact on this Ore Reserve estimate.

COST AND ECONOMIC ASSUMPTIONS

The operating cost estimate accuracy used for the Ore Reserve estimate is -15% /+15%. The operating cost estimate is appropriate for the current market in Western Australia. Cost inputs have been estimated from quotations and/or by competent specialists.

Capital Costs for process plant and infrastructure are estimated in 2018 Australian dollars at an US dollar exchange rate of A$1:US$0.75. In terms of determining whether the Ore Reserves can form the basis of a technically and economically viable project, the key capital cost estimates for the processing plant and borefield construction are determined by an EPC tender process (refer ASX announcement 23 April 2018), while costs for other key infrastructure, pre-mining capital costs and sustaining capital costs are understood and estimated to a FS level of accuracy. Any modification to these costs in an update to the FS are not considered to have a material negative impact on this Ore Reserve estimate.

Gold bullion transportation and refining charges are derived on the basis of a quote provided by a leading Australian Gold Refinery.

An allowance has been made for all royalties, including an allowance of 2.5% of revenue for royalties payable to the Western Australian State Government and a 2% allowance for the current commercial royalty to South 32. The terms of the royalty payable to the other private party is covered by confidentiality restrictions.

A Life-of-mine (LOM) gold price forecast of A$1,600/ounce (in real 2018 terms) is applied in the financial modelling for the Ore Reserve estimation process. This price forecast was established by Capricorn based on historical A$ gold price trends over the last three years and by comparison against peer companies. Net present value (NPV) and free cashflow analysis of the Ore Reserve based on the assumed commodity price and other current key assumptions indicates that the project retains a suitable profit margin against reasonable future commodity price assumptions.

Sensitivity analysis has indicated that the project drivers are gold prices, metallurgical recoveries followed by operating costs and project economics remain favourable for the sensitivity tests within reasonable ranges.

Various contract negotiations have commenced. There are reasonable prospects to anticipate that contract terms as assumed in the Ore Reserves estimate will be achieved.

SOCIAL AND ENVIRONMENTAL

Flooding risk has been analysed by an independent external expert and deemed to be minimal.

No significant flora or fauna species, including subterranean species have been identified that would be significantly impacted by the Project in a manner that could not be adequately managed.

Waste rock and tailings characterisation work has been completed and all waste types and tailings are non-acid forming and have limited metal leachate potential.

The permitting process for the project is well advanced, transparent, clearly defined and well understood.

BIBRA MINERAL RESOURCE

As part of the Ore Reserve process Capricorn Metals Limited has updated the Mineral Resource estimate at its 100%-owned Karlawinda Gold Project in WA. The new resource has been updated to include a further 14,000m of drilling at Southern Corridor, moving the dominant JORC 2012 resource classification in this area from Inferred to Indicated status. The new May 2018 Mineral Resource is now reported using the reserve variable cut off grades of 0.29g/t for Laterite, 0.27g/t for Oxide, 0.31g/t for transitional and 0.36g/t for fresh material. The new cut off grades have been used to ensure the new Ore Reserve sits wholly inside the reported Mineral Resource. Previously the Mineral Resource was reported at a 0.5g/t cut off. Key points from the resource update are listed below:

- 90% of the Mineral Resource is now classified in the high confidence Measured and Indicated categories.
- A Measured Resource and Indicated Resource totalling 45 million tonnes @ 1.0g/t Au for 1.4 million ounces.
- The classification of Southern Corridor Mineral Resource has been elevated from Inferred to the Indicated classification.
- Ounces per vertical metre peak at over 10,000 between 60 and 80m from surface (Figure 3 below).
- Resource expansion and exploration drilling programs are scheduled to re-commence in June 2018.

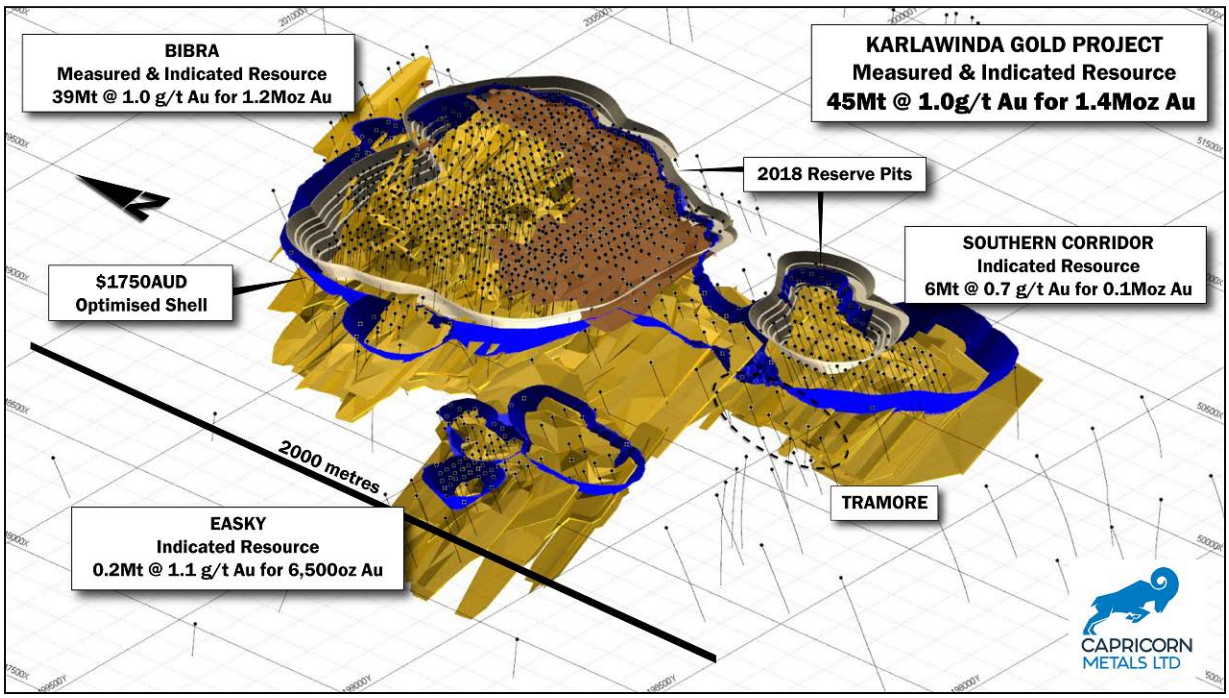

Figure 2: Bibra Mineral Resource and optimised pit shells

TABLE 9: BIBRA GOLD DEPOSIT JORC OPEN PIT MINERAL RESOURCE

Classification	Tonnes ('000t)	Grade (g/t)	Ounces ('000z)
Measured	10,640	1.1	365
Indicated	34,160	0.9	1,010
Measured and Indicated Total	44,800	1.0	1,375
Inferred	6,160	0.7	150
Total	50,960	0.9	1,525

Notes:

Mineral Resources and Ore Reserves are reported using cut-off grades of 0.29g/t for laterites and 0.27g/t for oxide material, 0.31g/t for Transitional material and 0.36g/t for fresh material.

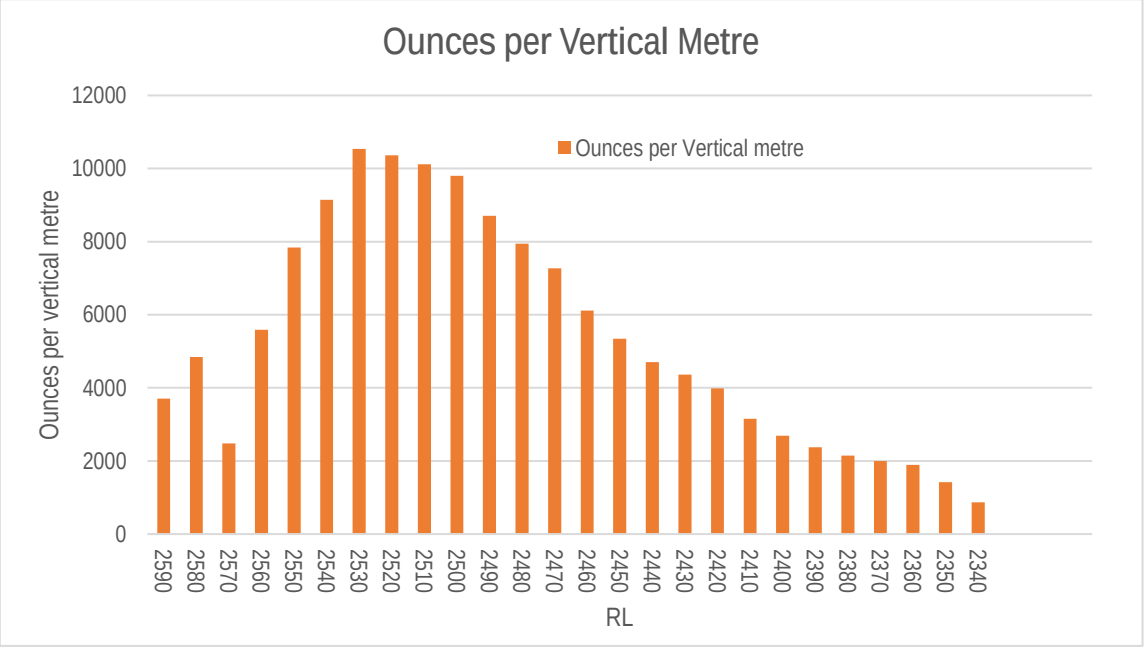

Figure 3: Bibra Mineral Resource ounces per vertical metre

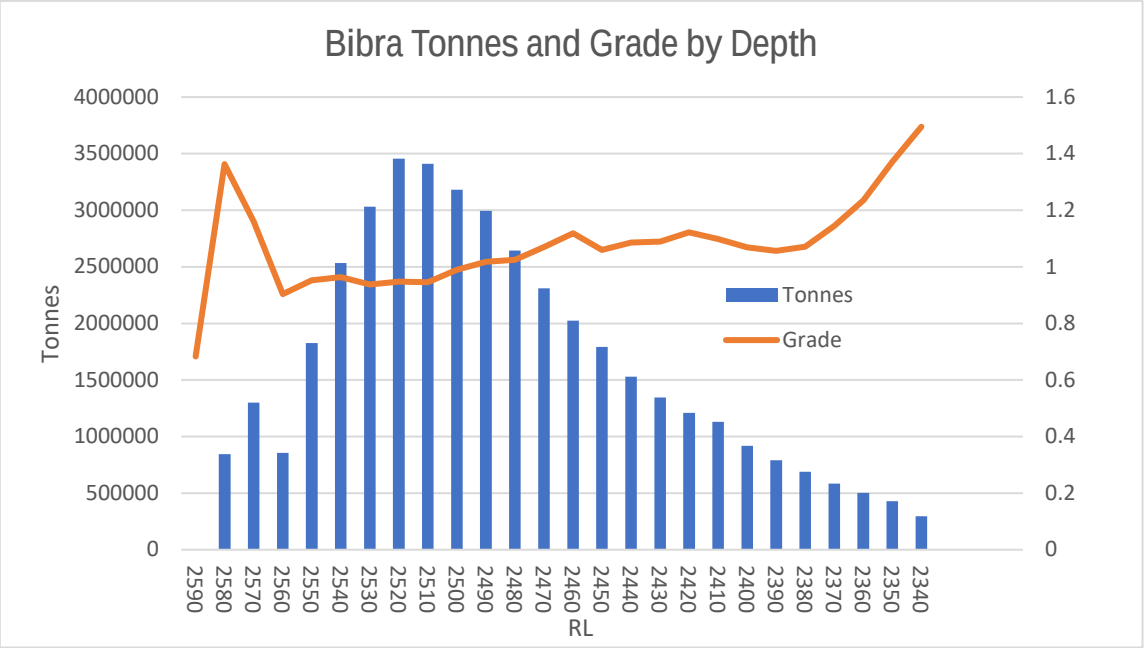

Figure 4: Bibra Tonnes and Grade by depth in metres (2590 RL is Surface)

MINERAL RESOURCE ESTIMATION METHODOLOGY AND DATA

The following information is provided as an addendum to meet the requirements under listing rule 5.8.1. This information is provided in full detail in the attached JORC Table 1 (Appendix 1).

Bibra is part of a large-scale Archaean aged gold mineralized system. The geology at Bibra predominantly comprises a sequence of alternating Archaean amphibolites and quartz-feldspar-chlorite-garnet schists with the majority of mineralisation hosted in silicified and magnetite altered, mylonitised "psmammites". Gold mineralisation has developed on at least two parallel, 40m thick, shallow dipping

sandstone units, which dip to the west-north-west at 22°. Laterite oxide mineralisation has developed over the structures close to surface. Outside of the main mineralisation some smaller discrete lodes occur in the hanging wall, these lodes consist of Easky and Easky East. Mineralisation continues south of the main pit area into the Southern Corridor where mineralisation is hosted in volcanoclastic sandstones with broad lower grade mineralisation with zones of high grade mineralisation. The primary mineralisation is marked by 3-10% sulphides, subhedral magnetite grains, quartz veins/veinlets, and gold. Gold mineralisation is strata-form with lineations identified as controlling higher-grade shoots. The overall footprint of the mineralisation covers an area of 2500m (local grid N) by 1000m (local grid E). The deposit is oxidized to average depths of 50-70m.

Drilling Techniques

In total 157,757 metres of drilling has been completed within the constraints of the Bibra resource consisting of 85 diamond holes (12,211m/ 8%) and 1131 Reverse Circulation drillholes (145,546/ 92%).

The drilling database consists of high quality RC and diamond drillholes with holes drilled at approximate spacings of 25m x 25m in the Measured category area, 25m x 50m in the Indicated category area and 50m x 50m to 100m x 100m in the Inferred category area. Deeper holes and wider spaced drilling targeting along strike, down-dip and down-plunge extensions of the Bibra mineralisation have also been completed outside of the classified resource area and included in the model. However, currently this material remains unclassified/not reported and is a target for future resource development drilling.

Sampling and Sub-Sampling Techniques

Drilling at the Bibra deposit has been completed by two companies: Independence Group (IGO) and Capricorn Metals Group (CMM). The methods of collection have been very similar in terms of sampling procedures, drilling methods and sampling quality.

2kg - 3kg samples RC were split from dry 1m bulk samples. The sample was initially collected from the cyclone in an inline collection box with independent upper and lower shutters. Once the metre was completed, the drill bit was lifted off the bottom of the hole, to create a gap between sample, when the gap of air reached the collection box the top shutter was closed off. Once the top shutter was closed, the bottom shutter was opened, and the sample was dropped under gravity thorough a Metzke cone splitter. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. A second 2kg-3kg sample was collected at the same time the original sample as a field duplicate.

The diamond drillholes were saw cut, with one half being sent to the laboratory. Diamond core was sampled dominantly to 1 metre intervals, some smaller samples were collected where the core was sampled to geological/mineralisation contacts.

QAQC protocols have been executed to a high standard. QA/QC programs were implemented to test the quality of drilling, assaying and logging. In the drilling programs, samples were weighed to determine drillhole quality through the analysis of sample recovery and split ratio. It was shown through the gathering of this information, that the drilling was completed to a high standard with overall recovery greater than 80% and the split ratio through the splitter showing no material bias.

Sample Analysis Method

RC and diamond core samples were sent to Intertek laboratories in Perth, where the samples were oven dried at 105°C. After drying, the core was crushed to a nominal 2mm and then both RC and diamond core were pulverised LM5 mills to 5 minutes to achieve 85% passing 75µm to provide a pulp sample for analysis. All samples submitted by CMM were analysed for Au using the FA50/MS technique, which is a 50g lead collection fire assay. The sample submitted by IGO were analysed by FA50/AAS which is a 50g

lead collection fire assay.

Field duplicates were collected at a ratio of 1:50 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) and matrix matched CRMs were inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRMs were selected based on grade populations and economic grade ranges. The duplicate and CRMs were submitted to the lab using unique sample IDs.

Estimation Methodology

Three-dimensional wireframes were created to constrain the mineralisation and allocate geology to the block model. Micromine software was used for the wireframing of ore, geology and weathering profiles. The Bibra mineralisation wireframe models were built using sectional interpretation and visualization of the mineralisation in three-dimensions. The sectional mineralisation strings were defined with a cut-off grade of 0.3g/t Au. There are four main domains including Laterite, Main Hanging wall, Main Footwall, Southern Corridor and two smaller domains including the Finns lodes and Port Rush which occur inside the main resource area. Located outside the Main Bibra Pit area, there are several other resource areas such as Easky, which were included in the estimate. Ore zones greater than 1.0g/t Au occur in the Main Hanging wall, Main Footwall, Laterite and Southern Corridor domains, these zones were separately wireframed. The interpretation and wireframes of geology were built by on-site geologists to ensure the interpretation consistency. Geological logging and structural measurements from drillholes has been used to construct the geological model. Geological continuity has been assumed along strike and down-dip.

A block model was created to encompass the Bibra mineralisation and prospects in close proximity. Three block sizes have been utilised within the block model, 12.5 X by 12.5 Y by 5 Z, 25 X by 12.5 Y by 5 Z and 50 X by 50 Y by 5 Z to reflect the different drill spacings in the resource. A sub block size of 2.5 X by 2.5 Y by 0.5 Z was used, to reflect the geometry of the wireframes. Variography was undertaken on domains using 'Supervisor' software and that variography used to undertake Kriging neighborhood analysis to optimise the block size, search distances and min/max sample numbers used. The block model grades were estimated using ordinary kriging grade interpolation techniques constrained within the mineralisation wireframes. All work was completed in the local grid co-ordinate system. Search ellipses were developed from variography and the Dynamic Anistropy was used to make the search ellipses follow the trend of the ore wireframes. The estimation was completed in four passes with the following parameters: Pass 1 – min 6, max 36 samples, with a drillhole sample limit of 5 samples per drillhole. Pass 2 – min 6, max 36 samples, with a drillhole sample limit of 5 samples per drillhole. Pass 3 – min 3, max 36 samples. Four estimation search passes were used for each domain. All estimation was completed at the parent cell scale. Top-cuts were applied to sample composites in 24 domains. All estimation was completed at the parent cell scale.

Density assumptions were based on 3,976 samples water immersion method density readings. Average densities for oxidation profiles or rock type (transition and fresh rock) were assigned to the block model using the three-dimensional geological model.

The block model was validated using various techniques. These techniques consisted of visual checking, domain assay Vs block model grade, Swathe plots and quantitative kriging measures. The new resource was also checked against the November 2017 model to make sure they were comparable.

Resource Classification Criteria

The Inferred, Indicated and Measured classification reflects the relative confidence in the estimate, the confidence in the geological interpretation, the drilling spacing, input data, the assay repeatability and the continuity of the mineralisation.

Measured material was constrained by the 2017 Ore Reserve stage 2 design pit and 25m x 25m drill spacing. Indicated classification was constrained to a A$1750 oz optimal pit shell with drill spacings between 25m x 25m to 50m x 50m. The Inferred classification was constrained to a A$2000 oz conceptual optimal pit shell where the drill spacing was between 50m x 50m and 100m x 100m.

This classification reflects the Competent Person's view of the deposit.

Mining and Metallurgical Methods and Parameters

(Refer above to Ore Reserve section of this release).

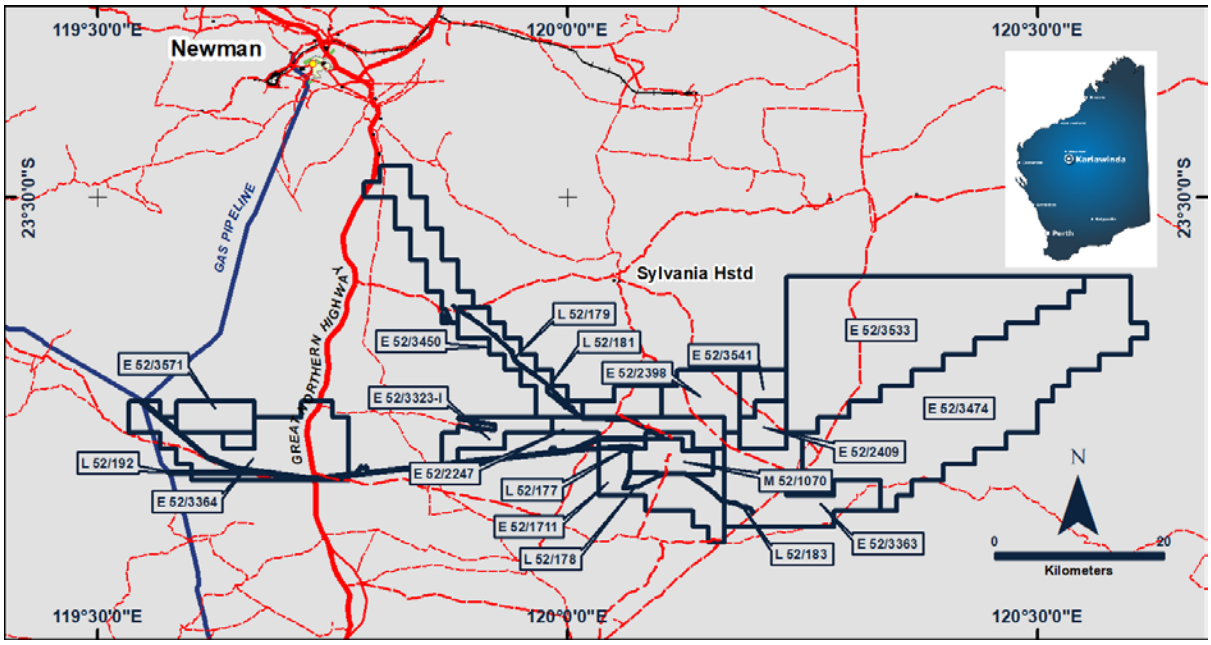

Figure 5: Location Map: Karlawinda Gold Project

For and on behalf of the Board

Heath Hellewell
Executive Chairman

For further information, please contact:

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Executive Chairman
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Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Michael Martin who is Chief Geologist and a full-time employee of the Company. Mr. Michael Martin is a current Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Martin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for Bibra is based on information compiled by Mr Daniel Donald. Mr Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr Donald has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Donald consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcements on Mineral Resources (10/4/2017) and Metallurgy (19/6/2017) and, in the case of estimates of Mineral Resources, Ore Reserves, Plant operating costs and Metallurgy, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements.

APPENDIX ONE

JORC Code, 2012 Edition
Table 1

Section 1: Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Drilling at the Bibra deposit has been completed by two companies Independence Group (IGO) and Capricorn Metals Group (CMM). The methods of collection have been very similar in terms of sampling procedures, drilling methods and sampling quality. For drilling between 2018 & 2015 RC drilling the standard method of sample collection included the following: 2kg - 3kg samples were split from dry 1m bulk samples. The sample was initially collected from the cyclone in an inline collection box with independent upper and lower shutters. Once the metre was completed, the drill bit was lifted off the bottom of the hole, to create a gap between sample, when the gap of air came into the collection box the top shutter was closed off. Once the top shutter was closed, the bottom shutter was opened and the sample was dropped under gravity thorough a Metzke cone splitter. Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. A second 2kg-3kg sample was collected at the same time the original sample. This sample has been stored on site. These duplicate samples have been retained for follow up analysis and testwork. The bulk sample of the main ore zone was discharged from the cyclone directly into green bags. The bulk sample from the waste was collected in wheelbarrows and dumped into neat piles on the ground. During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones. RC Field duplicates were collected at a ratio of 1:50 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. For the diamond drilling- core was half cut in half using a corewise automatic core saw. Matrix matched CRMS and OREAS certified reference material (CRM) were inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges. In 2012, RC samples were collected for 1m intervals using a rig-mounted cone splitter. Samples were to be 12½% from each of the two sample chutes and 75% reject collection. Wet samples were grab sampled and recorded as such in the database, few were within mineralised zones. NQ core was half-core sampled and HQ/HQ3 core was initially quarter-core sampled. Issues with quarter-coring in the regolith with complete disintegration of the sample and loss of material were identified, and reverted to half-core sampling with less water for better sample quality. Standards, blanks and field duplicates were inserted into each batch of samples submitted to the laboratory.

Criteria	JORC Code explanation	Commentary
		Prior to 2011 the standard method of sample collection included the following: Prior to 2011, RC samples were collected at the rig using a cone splitter that split the 1m cuttings into 87½% & 12½% splits. RC samples were originally composited to 2m by taking scoops from each of the 1m interval and submitted to Genalysis for sample preparation and analysis. Samples that returned values >0.5g/t Au were submitted as 1m samples to Genalysis. In 2011, RC samples were not composited and 1m interval samples were sent directly to Genalysis. A rig mounted cone splitter was used to split the samples into 87½% & 12½% splits. NQ2 core was half-core sampled and PQ and PQ3 core was quarter-core sampled using a manual core-cutting diamond saw without water in the oxide zone. The dry cutting was to prevent loss of clays for the metallurgical samples. Sample quality is considered to be good and all RC drilling within the resource area was dry.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	In November 2017, 118 RC holes were completed for 13,814m by Ranger Drilling using a Hydco 350 GT 350PSI @ 1150CFM and a DRA 1350 CFM @ 500 PSI truck mounted RC rigs with auxiliary and booster In March/June 2017 drilling, 1 Ranger Drilling drill rig was used to drill 140 RC drill holes for 13,460m. The rig consisted of a Schramm track mounted RC rig with 1150cfm x 350psi on board compressor, an Air-research 1800cfm x 900psi on board Booster, and a truck-mounted Sullair 900cfm x 350psi auxiliary compressor. In 2016, 3 Ranger Drilling drill rigs, were used to drill 541 holes for 63,676m, including 2 x DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary and 1 KWL350 truck mounted RC Rig with 1050cfm x 350psi on board compressor, Sullair 1050cfm @ 350psi auxiliary compressor and Air-research 1150cfm x 350psi booster. The holes were drilled using a nominal 135mm diameter face sampling bit, and to limit the hole deviation 4metre thick wall rod and top and bottom stabilisers were used. In 2016, 35 PQ/HQ diamond holes were drilled by Westralian Diamond Drillers (Kalgoorlie) for 4,610m using two KL900 rig's. Drilling in 2015, 46 RC holes have been completed by reverse circulation using Ranger Drilling DRA600 RC rig with 1350cfm@500psi compressor with a 1800cfm x 800psi booster and 900cfm, 350psi auxiliary. In 2012, 60 RC drillholes for 8409m and RC precollars for 534.8m were drilled by Blue Spec Mining using a KLBS900 Multipurpose rig with 4inch drill rods and face sampling 5inch bits. Two HQ3/NQ diamond holes were drilled by Blue Spec for 305.3m using the Multipurpose rig and 24 HQ/HQ3 diamond holes were drilled by Foraco for 3158.6m using a UDR1000 truck-mounted rig. Core from the Foraco drilling was oriented using an Ezymark orientation tool. Numerous aircore holes have been drilled into the project but these were not used in the resource estimate In 2011, 78 RC drillholes for 14,103m were drilled by Profile Drilling Services using a Schramm RC rig and 11 diamond holes (two with RC precollars, precollars drilled by Profile Drilling Services) drilled by Drill West using a Boart Longyear LF90D skid mounted rig. Core diameter was PQ3 and PQ to provide samples for metallurgical testwork and to also twin RC drillholes. Core was oriented (where possible) using a Reflex ACE orientation instrument. In 2009-2010, principally Reverse Circulation (RC) drillholes using face sampling bits (Ranger Drilling Services, Boart Longyear Pty Ltd or Profile Drilling Services) with 3 diamond holes that have RC precollars (precollars drilled by Ranger Drilling Services (70-202m downhole depth) and NQ2 diamond tails drilled by Boart Longyear Pty Ltd) and 2 other diamond holes (PQ3 sized core by Drill West for metallurgical testing purposes). Three core holes (KBD026-028) were oriented using an Ace orientation tool.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	During the sample collection process, the cone split, original and duplicate calico samples and the reject green bag samples were weighed to test for bias's and sample recoveries. The majority of the check work was undertaken through the main ore zones. From this process showed that the majority of ore grade samples had recoveries greater than 80% Once drilling reached fresh rock a fine spray of water was used to suppress dust and limit the loss of fines thorough the cyclone chimney. At the end of each metre the bit was lifted off the bottom to separate each metre drilled. The majority of samples were of good quality with ground water having minimal effect on sample quality or recovery. From the collection of recovery data, no identifiable bias exists. In 2012, RC sample recovery was variable, particularly in the regolith. Sample quality was recorded during logging and qualitative recovery codes were assigned to each sample. Sample weights were measured for each component of RC hole cuttings in mineralised zones, with results showing that regolith samples were generally poor quality (both under and over-weight samples) and quality was moderate in the other zones. Core was reassembled for mark-up and was measured, with metre marks and down-hole depths placed on the core. Depths were checked against driller's core blocks and discrepancies corrected after discussion with drillers. Core loss was recorded in the geological log. Core recovery was generally good. RC sample recovery prior to 2012 has been logged as good with samples kept dry during drilling. There is no obvious relationship between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	Reverse circulation chips were washed and stored in chip trays in 1m intervals for the entire length of each hole. Chips were visually inspected and logged to record lithology, weathering, alteration, mineralisation, veining and structure. Data on rocktype, deformation, colour, structure, alteration, veining, mineralisation and oxidation state were recorded. RQD, magnetic susceptibility and core recoveries were recorded. RC chips sample quality and weights were also recorded, including whether wet or dry Logging is both qualitative and quantitative or semi-quantitative in nature. Core was photographed both dry and wet
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	For holes KBRC284 to KBRC1176. Samples were split from dry, 1m bulk sample via a cone splitter directly from the cyclone. The quality control procedure adopted through the process includes: Weighing of both Calico samples and reject sample to determine sample recovery compared to theoretical sample recovery and to check sample bias through the splitter. Field duplicates were collected at a ratio of 1:50 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's was selected based on grade populations and economic grade ranges. The duplicate and CRM's were submitted to the lab using unique sample ID's.

Criteria	JORC Code explanation	Commentary
		A 2kg – 3kg sample were submitted to Intertek laboratory in Maddington in WA. Samples were oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were rotary split to 2.5kg. Samples were then pulverised in LM5 mills to 85% passing 75µm under sample preparation code EX03_05 which consists of a 5 minute extended preparation for RC/Soil/RAB. The extended time for the pulverisation is to improve the pulverisation of samples due to the presence of garnets in the samples. All the samples were analysed for Au using the FA50/MS technique which is a 50g lead collection fire assay. All core has been cut into half or quarter core for sampling. For early drillholes KBRC005-010, RC composite samples (2m) were submitted to Genalysis where they were sorted, dried and the total sample pulverised in a single stage mix and grind if the sample mass was <3kg. Samples >3kg mass were riffle split using a 50:50 splitter and one half pulverised. Samples were analysed for Au using an aqua regia digestion (AR10/OM) of a 10g pulp sample with ICP-MS determination. Samples that returned values >0.5g/t were submitted to Genalysis as 1m resplit samples and prepared in a similar manner as the composites. For drillholes from KBRC011 to KBRC283 (2009-2012), no compositing took place, 1m split RC samples and core samples were submitted to Genalysis for fire assay. Samples were oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were rotary split to 2.5kg (2012 drilling). Samples were then pulverised in LM5 mills to 85% passing 75µm. All the samples were analysed for Au using the FA50/AAS technique which is a 50g lead collection fire assay with analysis by Flame Atomic Absorption Spectrometry. The fire assay method is considered a suitable assaying method for total Au determination. The aqua regia digestion results (used for samples that were <0.5g/t Au) may not allow for total Au determination in the transition and fresh rock zones. Aqua regia samples are only present for 5 holes and therefore represent only a very small percentage of the samples. For core and RC samples the sample preparation technique is appropriate and is standard industry practice for a gold deposit. Quality control for maximising representivity of samples included sample weights, insertion of field duplicates and laboratory duplicates. .
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	In the 2017 to 2018, drilling samples were submitted to Intertek laboratory in Perth and completed by a single fire assay In the 2016 to 2015 drilling samples were submitted to the Intertek laboratory in Perth. In the waste zones, analysis has been. In the main mineralised zone four fire assays from the sample pulp were completed and then averaged to determine, the assay grade of the sample. For samples prior to 2015, only single fire assay determination occurred on each sample. The samples from 2018 & 2015 drilling were determined for gold, pt, pd and additional elements/base metals, using ICP optical emission spectrometry and ICP mass spectrometry. Samples prior to 2016, were analysed using AAS. Field duplicates were collected at a ratio of 1:50 through the mineralised zones and collected at the same time as the original sample through the B chute of the cone splitter. OREAS certified reference material (CRM) was inserted at a ratio of 1:20 through the mineralised zone. The grade ranges of the CRM's were selected based on grade populations and economic grade ranges. Twin holes from the different drilling programs showed that over an intercept, the grades and lengths of mineralisation compared well, whereas at the individual assay level the results are highly variable

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Logging and sampling were recorded directly into a Micromine field marshal template, which utilises lookup tables and in file validation on a Toughbook by the geologist on the rig. Assay results when received were plotted on section and were verified against neighbouring holes. Analysis of the RC/diamond hole twinning up, showed that mineralised intervals above a cut-off grade of 0.3g/t Au were similar in length and moderately well correlated in grade. From time to time assays will be repeated if they fail company QAQC protocols, however no adjustments are made to assay data once accepted into the database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	2015 - 2018 drillhole collar positions were surveyed by Survey group out of Port Hedland WA and Osbourne Park, WA. The survey was conducted using Trimble R8 RTK GPS base and rover, with an assumed positional accuracy of ±0.025m Horizontal and ±0.050m Vertical. Control used was installed by MHR Surveyors and issued to Survey Group by Capricorn Metals. GPS base station was positioned over KB01 and checked against KB01DRM. 2009 - 2012 drillhole collar positions were surveyed by licensed surveyors MHR Surveyors of Cottesloe, WA. The instrument used was a Trimble R8 GNSS RTK GPS (differential) system. Expected relative accuracies from the GPS base station were ±2cm in the horizontal and ±5cm in the vertical direction. Co-ordinates were surveyed in the MGA94 grid system Downhole surveys in 2009 & 2010 were carried out by the drillers at about 50m intervals using a Reflex EZ shot digital downhole camera. Readings were taken in a non-magnetic stainless steel rod near the bottom of the drill string. The depth, dip, azimuth and magnetic field were recorded at each survey point. In the 2015 & 2017 drill program the Downhole surveys were collected by driller operated in-rod reflex north seeking gyro at the end of each hole. The measurements were taken every 10 to 30 metres. Drillhole location data was initially captured in the MGA94 grid system and have been converted to a local grid for resource estimation work. The natural surface topography was modelled using a DTM generated from the 2012 airborne LiDAR survey conducted in November 2012 by AAM Pty Limited. The DTM was rotated in-house to the local grid coordinate system. Horizontal point accuracy is expected to be <0.33m and vertical accuracy to 0.15m. Ground control was established using RTK GPS and ALTM3100 Static GPS. The reference datum was GDA94 and the projection was MGA Zone 51, with the data supplied as 50cm and 1m contours in MGA Zone 51. Topographic control is of good quality and is considered adequate for resource estimation
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	No exploration results have been reported Drilling has been completed on a 50x50m and 25m x 25m and 25m x 50m grid. Drill spacing is sufficient for current resource classification.

Criteria	JORC Code explanation	Commentary
	• *Whether sample compositing has been applied.*	Samples collected and analysed for each metre down the hole. Whole hole is analysed. Samples were collected in 1 metre intervals.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Drill lines are oriented across strike on a local grid. Bibra orebody dips at 30 degrees to the North West. Holes in the drill programs have being drilled at inclination of -60 and -90 degrees. The orientation of the drilling is suitable for the mineralisation style and orientation of the Bibra mineralisation.
Sample security	• *The measures taken to ensure sample security.*	Calico sample bags are sealed into green bags/polyweave bags and cable tied. These bags were then sealed in bulka bags by company personnel, dispatch by third party contractor, in-company reconciliation with laboratory assay returns.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Program reviewed by company senior personnel. Prior to commencement of the 2016 drill program a meeting of industry specialists was held to discuss the sampling and analytical techniques to get consensus and or improvements on the drilling and sampling protocol. Prior to 2016, a review of practices documented in the IGO technical report supplied to Optiro Pty Ltd in 2012 as part of the resource estimate review did not highlight any significant issues. Optiro completed a resource audit of the 1606 model. Optiro is currently undertaking an Audit on the current resource model.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Bibra deposit is located in M52/1070 held by Greenmount Resources and wholly owned company of Capricorn Metals. M52/1070 is within the granted E52/1711 exploration tenement in the Pilbara region of Western Australia. E52/1711 was acquired from BHPB in 2008. BHPB retain a 2% NSR and a claw-back provision whereby BHPB can elect to acquire a 70% equity in the project only if JORC compliant reported resources of 5,000,000 ounces of gold and/or 120,000 tonnes of contained nickel have been delineated. The Nyiyaparli group are Native Title claimants covering an area including E52/1711. There is no known heritage or environmental impediments over the lease. No other known impediments exist to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Prior to Capricorn Metals, the tenement was held by the Independence group (IGO) who undertook exploration between 2008 & 2014. Prior to Independence group, WMC (BHP) explored the area from 2004 to 2008
Geology	• *Deposit type, geological setting and style of mineralisation.*	Bibra is part of a large-scale Archaean aged gold mineralized system. The resource is hosted within a package of deformed meta-sediments which has developed on at least two parallel, shallow dipping structures; Laterite oxide mineralization has developed over the structures close to surface. The primary mineralization is strata-bound with lineation's identified as controlling higher-grade shoots. The deposit

Criteria	JORC Code explanation	Commentary
		is oxidized to average depths of 50-70m.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	No exploration results have been reported
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	In the 2017 to 2018 drilling single fire assays were completed for each 1m sample, since significant work has been undertaken on assay variability though the Bibra deposit, whereby the single fire assay is deemed to be suitable for the classifications used. In the drilling from 2015 to 2016, in the ore zone four separate fire assays were completed for each 1m sample to reduce the nugget effect. The four assays were then averaged to calculate the final assay grade. In the drilling prior to 2016, single fire assays were completed on each sample Resource has been reported at the Reserve cut -off grades by material type. 0.29g/t laterite, 0.27g/t Oxide, 0.31g/t transitional and 0.36g/t transitional. Data used in the estimate has been composited to 1 metre. One metre intervals are the dominant sample length. Drill core is the only drill method which has sample lengths less than a metre, where this occurs the assay results are length weighted through compositing. A review of compositing length has been undertaken to understand its impact on variance and nugget effect and whether a different composite length is warranted. At the conclusion of this study it was found the increase in composite length only had minimal improvement and the change to a larger composite length is not required.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	At Bibra, the geometry of the mineralisation has already been defined from previous drilling programs. The intersection angle between drill angle and the perpendicular angle to the ore zone is less than 10 degrees.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	The diagrams in the report provide sufficient information to understand the context of the drilling results.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The accompanying document is considered to be a balanced report with a suitable cautionary note.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Systematic metallurgical testwork programs over 2012 to 2017 on master and variability composites from diamond core identifies mineralisation as free milling and amenable to cyanidation
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Resource Definition programs have been designed to further infill the inferred and indicated material to the next level of classification. Drilling program have been designed to target unclassified areas of known mineralisation to move these areas into a higher classification.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Data from the latest drilling was collected in the field by geologists and field assistants using Micromine's Field Marshall program with in-built Validation. Once hole information was finalised on site the information was emailed to the Database Administrator in Perth to load into Datashed SQL database. Prior to 2014, data has been collected by the geologists and field staff in either Excel spreadsheets or acQuire data entry objects on laptops for RC and diamond drilling and loaded into SQL acQuire software. The inherited validated data from IGO was imported into a Datashed SQL database by Maxwell Geoscience. Analytical data was received from the laboratories in electronic ASCII files of varying format and were merged with sampling data already present in the database. Assays received from laboratories were imported by the Database Administrator into the database. Any data files which did not validate were investigated and rectified by field staff or Database Administrator
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	Site visits by the Competent Person were conducted during the 2015 to 2018 programs, during the drilling program. While the competent person was on site they scrutinized the method of RC sample capture and sampling, site set up, adherence to sampling and geological logging protocols, housekeeping and QAQC.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation* • *The factors affecting continuity both of grade and geology.*	Confidence in the geological interpretation is good. Stratigraphy is consistent and can be correlated between holes and along strike. Geological logging and structural measurements from drillholes have been used to construct the geological model. Sections were interpreted, digitised and a 3D wireframe model constructed. Geological continuity has been assumed along strike and down-dip. The geological interpretation is robust. The geological model was built by on the ground geologists who logged and relogged and interpreted the geology to ensure the geological interpretation was consistent. With the current drill spacing it is unlikely that an alternative interpretation will develop. There is currently sufficient drilling to map the stratigraphic units and laterite zone.

Criteria	JORC Code explanation	Commentary
		The geological model has been used to guide mineralisation envelopes and subsequent mineralisation wireframe modelling. Geological continuity has been assumed along strike and down-dip based on reasonably the drilling data. In general, continuity both geologically and grade-wise within a 0.3ppm shell is good. Grades and thickness are more consistent down-dip than along strike.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Bibra mineralisation wireframes have been projected down-dip based on wider spaced drilling intercepts; however, this extrapolation has been removed from the resource estimate by limiting the reported tonnes and grade to within a conceptual optimal pit shell ($2000/oz Au). The laterite zone modelled was 900m along strike and 230m wide in the NE widening to 560m in the southern half. It ranges from 2m to 14m in vertical thickness. The primary mineralisation extends below the laterite zone for a further vertical depth of 300m. The transition/fresh rock boundary is about 60m below surface. The primary mineralisation has 4 main sub-parallel zones and several smaller zones. The main zone is 900m long (N-S) and 980m wide (horizontal width) at its widest part in the north, tapering to 40m wide (horizontal width) at the southern end. The thickness of the main primary mineralisation zone ranges from 2m vertical thickness to 40m in the thickest part.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Grade estimation of Au ppm has been completed using Ordinary Kriging (OK) into 164 mineralised domains and the surrounding waste using Maptek Vulcan 10.1.4 software. • Compositing has been undertaken at 1 m lengths with all residual samples less than 1 m removed from the estimation dataset. • Variography has been determined in Supervisor 8.1.0.4 on individual domains with enough composite data. Grouping of domains of similar grade and orientation has occurred where too few samples exist. Grouped domains with too samples have borrowed variography. • The Mineral Resource estimate has been validated using visual validation tools combined with volume comparisons with the input wireframes, mean grade comparisons between the block model and composite grade means and swath plots comparing the composite grades and block model grades by Northing, Easting and RL. • No assumptions have been made regarding recovery of any by-products. • The drillhole spacing ranges from 25 m (X) by 25 m (Y) to 200 m (X) by 200 m (Y). Three areas of infill drilling exist and have been assigned area codes for use in the estimation. • The block model has a parent block size of 50 m (X) by 50 m (Y) by 5 m (Z); however infill area 1, drilled at 25 m (X) by 25 m (Y), has parent blocks of 12.5 m (X) by 12.5 m (Y) by 5 m and infill area 2, drilled at 25 m (X) by 25 m (Y), has parent blocks of 25 m (X) by 12.5 m (Y) by 5 m (Z). A sub-block size of 5 m (X) by 5 m (Y) by 0.5 m (Z) has been used to define the mineralisation edges, with the estimation undertaken at the parent block size. Dynamic anisotropy has been utilised in all non-laterite mineralised domains due to changes in dip/strike and plunge of the lodes. o Pass 1 estimations have been undertaken using a minimum of 6 and a maximum of 36 samples into a search ellipse of varying sizes by domain. A sample per drillhole limit of 5 has been applied in all domains. o Pass 2 estimations have been undertaken using a minimum of 6 and a maximum of 36 samples into a search ellipse 50% larger than the pass 1 ellipse in all 3 directions. A sample per drillhole limit of 5 has been applied in all domains. o Pass 3 estimations have been undertaken using a minimum of 3 and a maximum of 36 samples into the same search ellipse as pass 2. No sample per drillhole limit has been applied. o Pass 4 estimations have been undertaken using a minimum of 3 and a maximum

Criteria	JORC Code explanation	Commentary
		of 36 samples into a search ellipse 400% larger than the pass 1 ellipse in all 3 directions. No sample per drillhole limit has been applied. • A high grade yield of 5 ppm within and ellipse of 20 m (dir 1) by 10 m (dir 2) by 5 m (dir 3) has been applied to all the estimations in domain 830 in order to reduce the influence of several high grade samples. • No selective mining units are assumed in this estimate. • No correlation between variables has been assumed. • The influence of extreme sample distribution outliers has been reduced by top-cutting where required. The top-cut levels have been determined using a combination of histograms, log probability and mean variance plots. Top-cuts have been reviewed and applied on a domain by domain basis. • Top-cutting of Au ppm has been undertaken in 23 mineralised domains and the waste domain. Model validation has been carried out, including visual comparison between composites and estimated blocks; check for negative or absent grades; statistical comparison against the input drillhole data and graphical plots.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages have been estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The mineralisation has been wireframe modelled using a 0.3g/t Au assay cut-off grade. The resource is reported out at the reserve cut off grades of 0.29g/t for laterite, 0.27g/t for upper saprolite, 0.27g/t for lower saprolite, 0.31g/t for transitional and 0.36g/t for fresh.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Currently a medium-sized contractor-operated open-pit mining option is the basis for the cut-off grade. Ore and waste would be paddock blast on 5m benches and subsequently excavated as 2.5m flitches utilising a conventional excavator and truck mining fleet to facilitate moderate ore excavation selectivity. Internal dilution to 2m has been included.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Test work was completed during 2017 using 32 composite samples from 779metres of core. The Bibra ore is classified as free milling, with a high gravity recoverable gold component (up to 45%). Overall, gravity plus leach gold recoveries are in the range of 93% to 96%. The Bibra ore is relatively clean, with minimal to no cyanide or oxygen consuming gangue minerals present in the ore, leading to low residual WAD cyanide levels (<50ppm) in the leach circuit tailings solution.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Waste rock from open pit operations would be placed in a waste rock landform adjacent to open pit operations, progressively contoured and revegetated throughout mine life. Process plant residue would be disposed of in a surface tailings storage facility (TSF). Adoption of an upstream, central decant design would utilise mine waste material for dam wall construction and facilitate water recovery to supplement process water requirements. It is expected that sufficient volumes of oxide material, able to be made sufficiently impermeable, will be available in the overburden stream to enable acceptable TSF construction.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Bulk density values have been calculated from 3,976 measurements collected on site and at laboratory using the water immersion method. Data has been separated into lithological and weathering datasets and mean density values derived. Densities have been assigned to the soil and to the waste dump fill material due to a lack of data.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Inferred, Indicated and Measured classification reflects the relative confidence in the estimate, the confidence in the geological interpretation, the drilling spacing, input data, the assay repeatability and the continuity of the mineralisation. The inferred classification was constrained to a $2000 oz AUD conceptual optimal pit shell where the drill spacing was between 50mx50m and 100x100m Indicated classification was constrained to a $1750 oz AUD pit shell with drill spacings between 25mx25m to 50m x 50m. Measured material was constrained by the Reserve stage 2 design pit and 25mx25m drilling This classification reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	The resource model has been reviewed for fatal flaws internally. Optiro is currently completing a Audit of the resource
Discussion of relative accuracy/confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The confidence level is reflected in the classification of the estimate. Mineralisation modelled but outside the criteria used for classification has been excluded from the estimate. The Mineral Resource estimate is an undiluted global estimate. There is no production data to compare the resource estimate with, as Bibra has not been mined.

Criteria	JORC Code (2012) explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	The Mineral Resource estimate for the Bibra deposit which formed the basis of this Ore Reserve estimate was compiled by the Capricorn Competent Persons utilising relevant data. The estimate is based on 880 Reverse Circulation (RC) holes and 77 diamond holes of exploration drilling and assay data. The data set, geological interpretation and model was validated using Capricorn's internal and Quality Assurance and Quality Control (QAQC) processes and reviewed by an independent external consultant. Ordinary Kriging was utilised to estimate the resource. The individual block size for estimation was 5 m x 12.5 m x 5 mRL., with sub-blocking at 1.25m x 3.125m x 1.25m for effective boundary definition. The Mineral Resources are reported inclusive of the Ore Reserve.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	The Competent Person did not conduct a site visit. This because: ▪ He is already familiar with the region ▪ Due to the presence of transported cover, there are no outcrops, mine workings or infrastructure to inspect on the ground.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The Ore Reserve estimate is based on findings of a 2017 Feasibility Study (FS) completed by a team consisting of Capricorn personnel and independent external consultants. Materially changed factors since the FS are: • Process plant design now incorporates a 4.5 MW SAG mill and 4.5 MW Ball mill ('SAB') from project commencement instead of the feasibility study which incorporated a 6.5 MW SAG mill and the installation of a ball mill at the end of Year 2. • The design of the previous comminution circuit allowed for treatment of a blend of laterite and oxide ores in Years 1 and 2 whereas the optimised circuit provides greater operational flexibility for the treatment of different ore types without the requirement to blend. • The gold price assumption for Ore Reserves has increased from A$1500/oz to A$1600/oz. This increase is in line with peer companies and also reflects that spot gold prices have averaged in excess of A$1600/oz over the past 3 years. • The cost of power has reduced by approximately 15% from the 2017 and 2018 Ore Reserves as a result of further optimisation. The major

Criteria	JORC Code (2012) explanation	Commentary
		change relates to the use of natural gas via a 56 km pipeline connecting to the Goldfields Gas Pipeline (GGP) rather than trucked LNG. • Ore processing costs have reduced from the 2017 Reserves and FS because of improved plant design and lower energy costs to $10.41 / t for laterite ore, $9.25/t for oxide, $10.84/t for Transition and $12.43/t for fresh ore. • Rock density has reduced slightly in the Oxide zone as a result of further testwork undertaken in 2018. • The diesel fuel assumption has increased by around 20% to A85c/litre (including rebate and excluding GST) from A70c/litre used in the feasibility study. The proposed mine plan is technically achievable. All technical proposals made for the operational phase involve the application of conventional technology which is widely utilised in Western Australia. Financial modelling completed as part of the FS shows that the project is economically viable under current assumptions. Material Modifying Factors (mining, processing, infrastructure, environmental, social and commercial) have been considered during the Ore Reserve estimation process.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	Variable economic cut-off grades have been applied in estimating the Ore Reserve. Cut-off grade is calculated in consideration of the following parameters: ▪ Gold price ▪ Operating costs including ore costs (eg grade control, ROM re-handle) ▪ Process recovery ▪ Transport and refining costs ▪ General and administrative cost ▪ Royalty costs. Cutoff grades are 0.29 g/t Au Laterite, 0.27 g/t Oxide. 0.31 g/t Transitional, 0.36 g/t Fresh

Criteria	JORC Code (2012) explanation	Commentary
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	The Bibra deposit will be mined by open pit mining methods utilising conventional mining equipment. Interim pit stages were assessed as part of the FS. The final pit design is the basis of the Ore Reserve estimate. The selected mining method, design and extraction sequence are tailored to suit orebody characteristics, minimise dilution and ore loss, defer waste movement and capital expenditure, utilise proposed process plant capacity and expedite free cash generation in a safe manner. Project capital costs were estimated as part of the FS and mining operating costs have been derived from first principles estimation.
	The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.	Geotechnical modelling has been completed by an external consultant on the basis of field logging and laboratory testing of selected dedicated diamond drill core samples from 16 geotechnical diamond drillholes. The recommended geotechnical design parameters assume dry slopes based on adequate dewatering and/or depressurisation ahead of mining. The low-angle dip of the deposit (28^{o} to West) allows for a designed overall wall angle on the Footwall (Eastern side of pit) between ramps of 25^{o}. The western wall (Hanging Wall) of the pit is designed to have an overall slope of 47^{o}, however a decision on that final wall angle will not need to be made until at least 3 years into the mining operation and following expected learnings from interim wall performance. A separate hydrogeological report was prepared by independent consultants which considered the infrastructure required to effectively dewater the open pit and pit slopes. This study was supported by the development of test bores and field test pumping analysis.

Criteria	JORC Code (2012) explanation	Commentary
	The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used.	Only open pit mining has been considered in the Mineral Resource and Ore Reserve studies. Mining dilution and recovery modifying factors were simulated by modelling to a Selective Mining Unit 5mX; 5mY; 2.5mZ (SMU) which attempts to simulate the capability of the mining method. The re-blocking technique dilutes fully into the SMU size and the resultant model is then used as a diluted model. The addition of dilution results in a loss of tonnes due to the number of blocks being diluted to below the reporting cut-off grade resulting in a mining dilution of 5% and mining recovery of 94%.
Mining factors or assumptions	The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	The mining schedule is based on supplying variable throughput rates to a processing plant with a name plate capacity of 4.0 Mtpa for Oxide material and 3.0 Mtpa of Fresh material. The mining schedule is based on realistic mining productivity and equipment utilisation estimates and also considered the vertical rate of mining development. No Inferred Mineral Resources were used in Ore Reserve calculations, and no Inferred resources are present inside the designed Reserves open pit.
	The infrastructure requirements of the selected mining methods.	The proposed mine plan includes waste rock dumps, a ROM pad, a surface water diversion channel, surface dewatering bores, light and heavy vehicle workshop facilities, explosives storage and supply facilities and technical services and administration facilities.
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	A processing flowsheet, materials balance, water balance, equipment identification, mechanical and electrical layouts were all developed to FS standard. A single stage primary jaw crush, Semi Autogenous Grinding and, after Year 2 of operations, Ball Milling (SAB) comminution circuit followed by a conventional gravity and carbon in leach (CIL) process is proposed. This process is considered appropriate for the Bibra ore, which is classified as free-milling. The proposed metallurgical process is commonly used in the Australian and international gold mining industry and is considered to be well-tested and proven technology. Significant comminution, extraction, and physical properties testing has been carried out on approximately 2,000kg of half-HQ and NQ diamond drilling core samples from 24 drillholes, and 300kg of RC chip samples. This has been carried out on laterite, oxide, saprock, transitional, and fresh ore types which were obtained across the Bibra deposit and to a depth of approximately 200m.

Criteria	JORC Code (2012) explanation	Commentary
		Estimated plant gold recovery ranges from 91.8% to 94.1% depending on grind size and ore type. Significant comminution, extraction, and physical properties testing has been carried out on material selected from approximately 2,000kg of half-NQ core. No deleterious elements of significance have been determined from metallurgical test work and mineralogy investigations.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	Baseline environmental studies and Level 1 and Level 2 studies of flora, vegetation, vertebrate fauna, short-range endemic invertebrates, and subterranean fauna are all completed. Environmental approvals for the mining and water supply aspects of the project are being assessed by the Department of Mines and Petroleum WA (DMP). A Native Vegetation Clearing Permit has been granted for the project site. The approvals document to the DMP has been submitted in 2017. Waste rock and tailings characterisation work has been completed and all waste types and tailings are non- acid forming and have limited metal leachate potential. Waste rock and tailings storage locations have been selected based on suitable geographical characteristics and proximity to the pit and plant.
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	The project site is within economic distances of existing infrastructure in the east Pilbara region. Services and consumable supplies will be delivered by existing roads, and a new 40 km Access Road from the Great Northern Highway to the Karlawinda Project. Land availability is unlikely to be an issue, with the mining and exploration tenure held by Capricorn more than covering all project needs. The project lies at the northern boundary of the Weeleranna cattle station, with whom the Company enjoys a strong relationship. Tailings disposal is intended to be within an Integrated Waste Landform whereby tailings are encapsulated by mining waste, rather than having separate waste dumps and tailings facilities.

Criteria	JORC Code (2012) explanation	Commentary
		The workforce will be Fly In-Fly Out (FIFO) and based at a camp on site during rostered days on. Commercial flights to Newman airport, 55 km North of the Project will be used; there will be no on-site airstrip. Pump testing and modelling of the potential yield from the Karlawinda borefield indicate that there is sufficient groundwater to service the needs of the Project for the life-of-mine. This will require the development of 22 water production bores, of which 5 have already been developed, and 20 km of pipelines. Miscellaneous licence applications to secure the tenure required for the all infrastructure not covered by Mining Lease are in preparation; Capricorn Exploration Licences already cover all these intended infrastructure corridors. Power will be generated on site utilising natural gas, requiring a 56 km pipeline construction.
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study	All capital estimates are based on market rates as at the second quarter of 2018. Plant capital costs have been provided by GRES, who have designed and costed several plants of this type and scale in recent years. It is assumed that all mining equipment required for the project will be purchased, excluding drill and blast equipment that will be supplied by contractors. The capital cost estimate accuracy is -15% /+15%. Mine development costs were developed from a combination of inputs from Capricorn, Entech Pty Ltd (mining), Mintrex (processing), CMW Geosciences (tailings disposal), GRM (groundwater consultants) and Peter O'Brien (geotechnical). The basis of estimate is: ▪ Owner mining (with contractor drilling and blasting) ▪ Mobilisation of mining equipment and personnel from Perth ▪ Earthworks quantities determined from detailed site investigations by a geotechnical engineer and geological modelling ▪ Mine dewatering requirements developed from airlift testing and hydrogeological modelling ▪ A mining schedule developed on a quarterly basis ▪ A contingency allowance on capital cost items calculated to reflect the relevant level of confidence in the estimate Processing and infrastructure development capital costs have been estimated by Mintrex and GRES engineers on the basis of:

Criteria	JORC Code (2012) explanation	Commentary
		▪ Earthworks quantities determined from detailed site inspections by a geotechnical engineer ▪ Concrete and structural quantities developed from site layouts and similar designs from other projects ▪ A mechanical equipment list developed from the recommended process design criteria ▪ Budget and Tender pricing from local and international suppliers ▪ Contingency allowances calculated on a line by line basis relevant to the source and confidence in market rates
Costs	The methodology used to estimate operating costs.	The operating cost estimate accuracy is -15% /+15%. Operating costs assume a FIFO scenario with various rosters on site. Mining operating costs have been estimated by Capricorn personnel/consultants based on scheduled material movement and estimated mining rates for an owner mining scenario. Mine design and scheduling were prepared by Mining Engineers from Entech Pty Ltd. Process and infrastructure operating costs have been estimated by Mintrex and GRES on the assumption that: ▪ A conventional SAB circuit will be utilised to treat ore at a rate of 3.0 Mtpa for fresh ore with the capability to treat up to 4.0 Mtpa of oxide material. ▪ Comminution grind sizes will be in the range of 120µm (Fresh rock) to 150µm (Oxide rock).

<table>
<tr><th>Criteria</th><th>JORC Code (2012) explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>▪ Power will be generated on site utilising natural gas and a 56km pipeline construction.
▪ The process plant will be operated by Capricorn employees.
The operating cost estimate is considered to be appropriate for the current market in Western Australia.</td></tr>
<tr><td></td><td>Allowances made for the content of deleterious elements.</td><td>No allowance is made for deleterious elements since testwork to date on ore from Bibra has not shown the presence of deleterious elements.</td></tr>
<tr><td></td><td>The source of exchange rates used in the study.</td><td>Capital Costs for process plant and infrastructure are estimated in 2018 Australian dollars.
Foreign currency exchange rates were derived as tabled below.
<table>
<tr><th>Currency</th><th>Rate (A$1 = X)</th><th>Source</th></tr>
<tr><td>United States Dollar</td><td>0.75</td><td>Capricorn</td></tr>
</table></td></tr>
<tr><td></td><td>The derivation of, or assumptions made, regarding projected capital costs in the study.
Derivation of transportation charges.
The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.
The allowances made for royalties payable, both Government and private.</td><td>Transport charges - Gold bullion transportation and refining charges are derived on the basis of a quote provided by a leading Australian Gold Refinery.
An allowance has been made for all royalties, including an allowance of 2.5% of revenue for royalties payable to the Western Australian State Government and an allowance for other royalties payable to private parties (these royalties being commercially sensitive and covered by confidentiality).</td></tr>
<tr><td>Revenue factors</td><td>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.
The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</td><td>The mined ore head grades are estimated utilising industry accepted geostatistical techniques with the application of relevant mining modifying factors.
Gold price and exchange rates have been determined by Capricorn on the basis of current market trends and by peer company comparison.
A Life-of-mine (LOM) gold price forecast of A$1,600/oz (Real 2018) is applied in the financial modelling for the Ore Reserve calculation process. This price forecast was established by Capricorn because of historical A$ gold price trends</td></tr>
</table>

Criteria	JORC Code (2012) explanation	Commentary
		over the last 5 years. Over that review period the price of gold has ranged between A$1,300/oz and A$1,800/oz and averaged approximately A$1,500/oz.
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	There is a transparent market for the sale of gold.
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.	Inputs from the open pit mining, processing, sustaining capital and contingencies have been scheduled and costed to generate the Ore Reserve cost estimate. Cost inputs have been estimated from quotations and/or by competent specialists. The Ore Reserve returns a positive NPV based on the assumed commodity price and the Competent Person is satisfied that the project economics that make up the Ore Reserve retains a suitable profit margin against reasonable future commodity price movements. Sensitivity analysis has indicated that the project drivers are gold prices, metallurgical recoveries followed by operating costs; NPV remains favourable for the sensitivity tests within reasonable ranges

Criteria	JORC Code (2012) explanation	Commentary
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	A Native Title Access Agreement has been signed for the Project (ASX Announcement 24 Nov 2016). After the Native Title Agreement, a Mining Lease was granted over the project area (ASX Announcement 24 Nov 2016). Several additional exploration licences have also been granted which add exploration targets and cover the infrastructure corridors prior to finalisation of miscellaneous licences.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	▪ Flooding risk has been analysed by an independent external expert and deemed to be minimal, with the project located near the top of a small catchment system. ▪ No significant species have been identified that would be significantly impacted by the Project in a manner that could not be adequately managed. ▪ Various contract negotiations have commenced. There are reasonable prospects to anticipate that contract terms as assumed in the Ore Reserves estimate will be achieved. Project commissioning is estimated for 2019.
Classification	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	The main basis of classification of Ore Reserves is the underlying Mineral Resource classification. All Probable Ore Reserves derive from Indicated Mineral Resources in accordance with JORC Code (2012) guidelines. The results of the Ore Reserve estimate reflect the Competent Person's view of the deposit. No Probable Ore Reserves are derived from Measured Mineral Resources. No inferred Mineral Resource is included in the Ore Reserves.

Criteria	JORC Code (2012) explanation	Commentary
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	The Feasibility Study and subsequent technical studies which form the basis of the Ore Reserve estimate was subjected to various reviews and audits: ▪ Metallurgical testwork was reviewed by Capricorn's consulting metallurgists and process engineers and confirmed to be adequate for a FS. ▪ Open pit designs, production schedules and mining cost models were reviewed through Entech's internal peer review system. ▪ The pit designs were further reviewed by the independent geotechnical consultants to confirm the application of the prescribed design parameters ▪ The basis of design for the process plant and infrastructure was reviewed by Capricorn's consulting metallurgists and process engineers and was deemed appropriate for a Feasibility Study.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The Karlawinda FS resulted in a technically robust and economically viable business case. This is deemed to be an appropriate basis for a high level of confidence in the updated Ore Reserves estimate. In the opinion of the Competent Person, cost assumptions and modifying factors applied in the process of estimating Ore Reserves are reasonable. Gold price and exchange rate assumptions were set out by Capricorn and are subject to market forces and present an area of uncertainty. In the opinion of the Competent Person, there are reasonable prospects to anticipate that all relevant legal, environmental, and social approvals to operate will be granted within the project timeframe.